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7AM-SPY CASE;380

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7U.S. ATTORNEY LIKELY TO RESIGN OVER SPY IDENTIFICATION

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WASHINGTON (AP) - JUSTICE DEPARTMENT OFFICIALS EXPECT A U.S. ATTORNEY FROM CALIFORNIA TO RESIGN BECAUSE HE CONFIRMED THE IDENTITY OF A KEY CIA SOURCE IN MEXICO AND CENTRAL AMERICA; DEPARTMENT SOURCES SAID WEDNESDAY.

FOUR SOURCES, ALL OF WHOM DECLINED TO BE IDENTIFIED, INDICATED THE RESIGNATION OF WILLIAM H. KENNEDY, U.S. ATTORNEY IN SAN DIEGO, IS NOW THE PROBABLE OUTCOME FOLLOWING A PRIVATE DRESSING DOWN HE RECEIVED FROM TOP OFFICIALS IN WASHINGTON ON MONDAY.

THE CONTROVERSY AROUND KENNEDY AROSE WHEN HE CONFIRMED FOR A SAN DIEGO NEWSPAPER LAST WEEK THAT SINCE NOVEMBER, CIA AND TOP JUSTICE DEPARTMENT OFFICIALS HAD BLOCKED AN INDICTMENT OF THE CIA SOURCE, MIGUEL NASSAR HARO, WHO HEADED MEXICO'S SECURITY AGENCY UNTIL JANUARY. THE INCIDENT HAS BEEN PARTICULARLY SENSITIVE FOR THE REAGAN ADMINISTRATION, WHICH SUCCEEDED EARLIER THIS MONTH IN OBTAINING CONGRESSIONAL APPROVAL OF A BILL THAT WOULD MAKE IT A FELONY FOR BOTH GOVERNMENT OFFICIALS AND ORDINARY CITIZENS TO DISCLOSE THE IDENTITY OF U.S. INTELLIGENCE AGENTS.

PASSED BY BOTH HOUSES OF CONGRESS IN SLIGHTLY DIFFERENT FORM, THE BILL IS NOT YET LAW BECAUSE A CONFERENCE COMMITTEE HAS TO IRON OUT THE DIFFERENCES.

IN ADDITION, THE DEPARTMENT HAS STRICT RULES AGAINST DISCLOSING GRAND JURY INFORMATION.

ASKED WEDNESDAY IF KENNEDY WOULD RESIGN, ONE DEPARTMENT SOURCE SAID, "THAT'S A VERY STRONG POSSIBILITY." ANOTHER REPLIED, "I WOULDN'T BE SURPRISED TO SEE THAT."

A THIRD OFFICIAL RESPONDED THIS WAY WHEN ASKED ABOUT KENNEDY'S FUTURE: "U.S. ATTORNEYS SOMETIMES ALL OF A SUDDEN GO INTO PRIVATE PRACTICE. YOU CAN MAKE A LOT OF MONEY THERE." SUCH A RESPONSE IS HIGHLY UNUSUAL.

A FOURTH SOURCE EXPLAINED THAT THE REAGAN ADMINISTRATION WOULD FACE SOME DIFFICULTIES IN FIRING KENNEDY, BECAUSE IT MIGHT BE READ AS AN OFFICIAL U.S. GOVERNMENT ACKNOWLEDGEMENT OF THE ACCURACY OF HIS REMARKS. A PRESIDENTIAL APPOINTEE, KENNEDY COULD BE FIRED ONLY BY REAGAN.

KENNEDY, 50, WAS AN ASSISTANT U.S. ATTORNEY IN SAN DIEGO UNTIL REAGAN NOMINATED HIM FOR THE TOP POST IN NOVEMBER.

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